

Regulation 16— Investment by Insurers of Part of Premium Paid, Return Guaranteed

§6101. Policy Directive Number Three to Insurance Companies

A. Effective January 1, 1959, no life insurance policy will be approved for use in the State of Louisiana, which does not guarantee to the policyholder or his or her beneficiary a return of all money, in excess of that part of the gross premium charged for life and disability insurance protection plus any guaranteed coupons, that is, any amount in excess of the net tabular premium, plus the loading for guaranteed coupons and expenses, which the policy provides shall be invested by the insurance company for the benefit of the policyholder, increased by the rate of interest stipulated in the contract.

B. Any policy which meets the above qualifications must also have printed on its first page, in prominent type, a brief description of all investment features.

C. Approval heretofore granted on all policies which do not comply with this directive, is hereby withdrawn, effective January 1, 1959, and all companies issuing such contracts are directed to cease issuing them within the state effective that date.

D. In order to assure compliance with this directive, all policies containing such investment features must be resubmitted together with all applicable sales promotion literature to be used therewith, to this office for new approval. Such policies will not be considered for approval in this state until the insurer submitting them furnishes evidence that such contracts have been approved in its domiciliary state.

E. This directive is not intended to apply to participating contracts of insurance whereby dividends are payable to a policyholder from divisible surplus of the company, nor to contracts containing annual coupons the accrued maturity value of which are guaranteed payable to the policyholder upon lapse or withdrawal or to the beneficiary at death of the insured, unless these particular plans of insurance also contain investment features.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Commissioner of Insurance, October 1, 1958.